

SENATE BILL 238

By Haile

AN ACT to amend Tennessee Code Annotated, Section 67-5-1505 and Section 67-5-1506, relative to property tax appeals.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-1505, is amended by deleting subsections (a) and (e) and substituting instead the following:

(a) The state board of equalization is hereby authorized to appoint members of the staff of the division of property assessments or such other persons as it may employ, to serve in the capacity of hearing examiners to conduct preliminary hearings and to make investigations for the board or the assessment appeals commission regarding complaints and appeals from assessments and classifications, or regarding any other matter for which the board has responsibility by law. As used in this part, "hearing examiner" includes an administrative judge serving by appointment of the state board of equalization or an administrative judge serving on behalf of the board under appointment by the secretary of state.

(e) The hearing examiner shall receive and consider all admissible evidence, as defined in § 4-5-313, presented in a hearing and shall conduct the hearing in an informal manner. All hearings conducted on behalf of, or before the state board of equalization, shall be conducted in a manner that gives deference to the position of neither the taxpayer nor the assessor, but treats both parties in an objective manner. Nothing in this subsection (e) shall be construed as affecting the burden of proof in property tax appeals or other contested cases as otherwise provided by law.

SECTION 2. Tennessee Code Annotated, Section 67-5-1506, is amended by deleting subsection (b) in its entirety and replacing it with the following:

(b) If an exception to the recommendation of the hearing examiner is taken by either the property owner or the property owner's agent, the county assessor of property or the taxing jurisdiction, or if the state board of equalization or the assessment appeals commission does not adopt the recommendation of the hearing examiner, a hearing shall be scheduled before the state board of equalization or the assessment appeals commission, as the case may be, before final action is taken. The review hearing shall be confined to the record except that additional proof may be taken in cases involving alleged irregularities in procedure that are not shown in the record.

(c) The state board of equalization or the assessment appeals commission may affirm the decision of the hearing examiner or remand the case for further proceedings. The state board of equalization or assessment appeals commission may reverse or modify the decision if the rights of the petitioner have been prejudiced because the administrative findings, inferences, conclusions, or decisions are:

- (1) In violation of constitutional or statutory provisions;
- (2) Made upon unlawful procedure;
- (3) Arbitrary and capricious or characterized by abuse of discretion or clearly unwarranted exercise of discretion; or
- (4)
 - (A) Unsupported by evidence that is both substantial and material in light of the entire record.
 - (B) In determining the substantiality of evidence, the state board of equalization or the assessment appeals commission shall take into account whatever in the record fairly detracts from its weight, but shall not substitute its judgment for that of the hearing examiner as to the weight of the evidence on questions of fact.

SECTION 3. This act shall take effect July 1, 2017, the public welfare requiring it. This act shall apply only to appeals filed with the state board of equalization on or after July 1, 2017.